

**Request for Proposals
by
The Appalachian Regional Commission
for
A Program Evaluation of ARC's Tourism, Cultural Heritage and
Natural Asset-Related Projects.**

Proposals due on or before August 28, 2007

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I. Overview. The Appalachian Regional Commission (ARC) invites proposals from qualified researchers and consultants to conduct a program evaluation of the outcomes of tourism, cultural heritage and natural asset-based development projects supported by ARC to stimulate these sectors in the Region. There are three major tasks to this RFP. First, this program evaluation will examine the project outcomes of approximately 100 projects that have been closed since 1997, including projects that promote tourism, recreational development, entrepreneurial development in tourism, and related asset-based economic development projects. Second, this evaluation should assess the validity of ARC's performance measurement system, which has generally tracked outcomes such as daily visitors, over night visitors, business formation, job creation and retention in tourism related sectors, the leveraging of additional public funding, and follow-on private investment that is attracted as a result of ARC-funded projects. However, these outcome measures are often difficult to implement consistently, particularly the tourism impacts from spending, and ARC needs a critical appraisal of these measures, and, where necessary, recommendations on improvements. Third, the evaluation should present the key findings of the analysis and identify policy options for the future directions, changes in emphasis, reporting concerns, and the lessons learned from the Initiative.

Through ARC's *Area Development* funds and its *Asset-Based Development Initiative*, the Commission has currently funded 177 tourism and recreational projects (115 are closed at this time), which provided nearly \$15 million in ARC funding for a range of program activities. In addition to ARC funds, these projects have leveraged nearly \$19 million from state and local government and other sources to support activities in the region. In addition, the projects have leveraged a projected total of \$51.3 million in follow-on private investment. Collectively, the funded projects are projected to create 232 new businesses, over 3,300 jobs, and retain over 5,600 jobs.

The evaluation will involve a review of project files at ARC headquarters in Washington D.C., identification of the final sample of projects, interviews with ARC staff and grantees in the thirteen Appalachian states, phone and mail (or email) surveys, literature review, and other analytical steps. Please note that ARC staff will provide photocopies of the initial sample of project files selected by the contractor and mail them to the contractor. The analysis will probably require a set of semi-structured interviews with key state and local program managers, as well as other non-project stakeholders who are positioned to assess the impacts. Results from the data and information gathered in this process must be analyzed and presented with recommendations in a draft and final report.

The Commission's purpose in conducting this evaluation is to determine the extent to which these projects have achieved or contributed to the attainment of the projects objectives. In addition, the evaluation should show how these results compare to national and regional outcomes for similar types of projects. In particular, the Commission seeks

to verify project outcomes and to assess the utility and validity of specific performance measurements for monitoring and evaluating these types of projects. Furthermore, this evaluation is scheduled to comply with on-going program evaluation requirements under the *Government Performance and Results Act*.

II. Scope of Work:

The evaluation will involve a review of approximately 100 projects out of a universe of 177 closed and open projects. A stratified sample of funded projects will be identified for evaluation regarding project outcomes. The projects selected for evaluation should represent a range of activity by state, project type, type of grantee institution, level of success, and other factors. The selected projects will be evaluated according to the performance standards set forth in the original project description of objectives. *Other relevant performance and results measures may be advanced and developed by the contractor.* At minimum, the outcome evaluation should include at least the following applicable performance measurements and outcomes:

- the number of permanent jobs projected and actually created or retained upon project completion and, if relevant, three- to five-years after project completion;
- the leveraging rates for other project-related funds, including state, local, other federal funds;
- the non-project, private investment that resulted;
- an attribution of the effects of ARC's investment once the impact of other agency funds is considered, and;
- an assessment of the validity of the outcome measurements used and any recommendations for improving the performance measurement system.

The evaluation should include both quantitative and qualitative assessments including a set of semi-structured interviews with key state and local program managers, as well as other non-project stakeholders who are positioned to assess the project impacts. In addition, selected case study sites should be examined to provide more detailed analysis of local project impacts.

The report should be written for a non-technical audience and fully relate the narrative to all descriptive statistics, analyses, graphs and tables. Detailed data and methodological discussions should be included in appendices.

Deliverables

The contract will require a draft and final report with an executive summary. The final report suitable for photocopying, an electronic copy of the final report, and an electronic data base (in an agreed upon software format) with a complete data dictionary must be submitted upon completion of the project.

III. Methodology: The successful applicant will develop a complete methodology to analyze the impacts and benefits that have resulted from ARC's entrepreneurship projects. The methodology should include:

- A framework for selection of the project sample;
- Development of a framework for assessing performance measurement of outputs and outcomes;
- A review of the literature and the current state of knowledge about best practices for each project type, based on national or regional studies of similar types of programs;
- A preliminary protocol for mail, telephone or computer-based surveys and interview techniques;
- Methods for sites selection of case study projects and a conceptual design for the protocol of semi-structured interviews or focus groups;
- Methods for data analysis;
- Discussion of the conceptual outline of the report.

Proposals should offer other methodological procedures as needed.

IV. Cost and Timing:

The Commission rates this research project as a Large-scale research project according to ARC's rating of the level of effort for conducting research: Major research projects \$250k-\$300k+; Large-scale \$150 to \$249k; Medium-scale \$75k to \$149K; Small-scale \$25k to \$74k; Research Brief less than \$25k.

The contract will be a FIRM FIXED-PRICE CONTRACT. The Commission anticipates that the research will take one year to complete.

V. Evaluation of Proposals:

All qualifications will be evaluated based on the following criteria:

- Complete, clearly articulated, logical study design and technically competent methodology;
- Qualifications, relevant prior experience, command of the relevant tourism and economic development fields;
- A credible management proposal for staffing, and the technical capability to carry out and support the project in a timely fashion;
- Cost effectiveness of the proposal.

VI. Proposal Submission:

Proposals must be submitted to the Regional Planning and Research Division, Appalachian Regional Commission, 1666 Connecticut Avenue, NW, Suite 700, Washington, D.C., 20009-1068, on or before **August 28, 2007**. An original of the proposal and three copies must be submitted. For information contact Greg Bischak, Senior Economist, at (202) 884-7790 or e-mail at gbischak@arc.gov.

VII. Background on ARC's Tourism Advisory Council:

The ARC convened its Tourism Advisory Council in 2002 to address the opportunities related to the Smithsonian Folklife Festival's designation of 2002 as the "Year of Appalachia". The festival's regional showcase became a catalyst to identify key needs and partnership opportunities for Appalachia's travel industry. The 13-state representatives quickly determined that tourism and craft offer some of the greatest potential for a positive economic and social impact in Appalachia, spanning far beyond the reach of a single event. ARC's Tourism Advisory Council was thus formed with the mission to leverage Appalachian assets into greater economic prosperity by attracting and hosting more tourists in the 13-state region. To satisfy this mission, the ARC Tourism Advisory Council released a five-year strategic plan in 2003 that dovetails with the overall ARC program objectives:

- Bring the Appalachian region to national parity on leading economic indicators
- Achieve collectively what Appalachian states cannot achieve individually
- Measure performance/quantify and document results of council initiatives

As part of its plan, the Tourism Advisory Council determined that any collective Council projects must:

- Add value to Appalachian counties or states
- Include strategies that attract and require other partners
- Demonstrate impact

For its inaugural major endeavor, the ARC Tourism Council partnered with the National Geographic Society (NGS) to develop the "MapGuide to Appalachia", a first-of-its-kind tool designed to stimulate economic development by showcasing the incredible diversity of the Appalachian Region's natural, cultural and heritage assets. Released in the April 2005 edition of NG *Traveler* magazine, the map delivered a taste of Appalachia's distinctive culture and heritage to a wide audience, exposing this "undiscovered national treasure" to many first-time visitors.

Based on the success of its first project, in 2007 the Council approved a second major initiative with National Geographic. Both groups will collaborative to develop a print map highlighting several ½-day to 3- day driving itineraries throughout Appalachia, supplemented with appropriate photos, descriptive text and web addresses for additional information. To emphasize the regional nature of this effort, several of the driving tours featured will cross state boundaries. This map, entitled *Driving Tours: Appalachia* will be inserted into the April 2008 issue of National Geographic *Traveler* magazine

VIII. Background on ARC's Asset-Based Development Initiative:

Appalachia's natural, cultural, structural, and leadership resources can play an important role in building a strong and sustainable economy in the Region. ARC's Asset-Based

Development Initiative seeks to help communities identify and leverage local assets to create jobs and build prosperity while preserving the character of their community.

Development strategies include:

- Capitalizing on traditional arts, culture, and heritage;
- Leveraging ecological assets for outdoor recreation and sports such as fishing, camping, white-water rafting, and rock climbing;
- Adding value to farming through specialized agricultural development, including processing specialty food items, fish farming, and organic farming;
- Getting the most from hardwood forests by maximizing sustainable timber harvesting and value-added processing;
- Encouraging the development of local leadership and civic entrepreneurs;
- Converting overlooked and underused facilities into industrial parks, business incubators, or educational facilities.

Beginning in FY 2005, ARC launched its *Asset-Based Development Initiative*, including identifying best practices, building partnerships with private, public and nonprofit organizations, providing technical assistance to communities, and funding asset-based development efforts (For more information on ARC's *Asset-Based Development Initiative* see: <http://www.arc.gov/index.do?nodeId=17>).

IX. Background on the Appalachian Regional Commission

The Appalachian Regional Commission is a federal-state partnership established in 1965 by the Appalachian Regional Development Act to promote economic and social development of the Appalachian Region. The Act, as amended in 2002, defines the Region as 410 counties comprising all of West Virginia and parts of Alabama, Georgia, Kentucky, Maryland, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, and Virginia—an area of 200,000 square miles and about 22.9 million people. To promote local planning and implementation of ARC initiatives, the Commission established 72 Local Development Districts (LDDs) comprising groups of counties within each of the 13 states. The Commission has 14 members: the governors of the 13 Appalachian states and a federal co-chairman, who is appointed by the president.

For 42 years, the Commission has funded a wide range of programs in the Region, including highway corridors; community water and sewer facilities and other physical infrastructure; health, education, and human resource development; economic development programs and local capacity building, and leadership development. The rationale for ARC's Area Development program is to provide the basic building blocks that will enable Appalachian communities to create opportunities for self-sustaining economic development and improved quality of life. These strategic goals were agreed upon after an exhaustive, year-long strategic planning process involving federal, state, and local officials and citizens that focused investment in four goal areas:

1. Increase job opportunities and per capita income in Appalachia to reach parity with the nation.

2. Strengthen the capacity of the people of Appalachia to compete in the global economy.
3. Develop and improve Appalachia's infrastructure to make the Region economically competitive.
4. Build the Appalachian Development Highway System to reduce Appalachia's isolation.

Area Development funds are allocated to the states on a formula basis and each state has wide discretion in deploying those resources across the four goal areas based on local needs and state priorities. However, an overarching policy mandated by Congress is that ARC resources are to be targeted to those counties with the greatest needs—those still the farthest behind that are designated as “distressed.”

In FY 2007, the Commission's definitions of economic development levels designated 78 counties as distressed because of high rates of poverty and unemployment and low rates of per capita market income compared to national averages; 78 counties are characterized as “at-risk”; 221 counties were designated transitional, with higher than average rates of poverty and unemployment and lower per capita market income; 26 counties have nearly achieved parity with national socioeconomic norms and are now designated as competitive and; 7 counties have reached or exceeded national norms and are now designated as attainment counties. See ARC's web site for more details (<http://www.arc.gov/>).

X. Outline of Technical Proposal Contents

A. Technical Proposal.

Please note that the narrative of the proposal should not exceed 15 pages, (not including the abstract and accompanying longer resumes and boilerplate organizational background materials which should be included as appendices.)

- 1. Summary Abstract (350 words).** In this section, provide a brief abstract of the technical portion of the proposal by summarizing the background, objectives, proposed methodology, and expected outputs and results of the research.
- 2. Methodology.** State the step-by-step approach or methods intended to accomplish all the tasks specified in this RFP. The proposal should provide a detailed explanation of the methodologies to be used, describe the limits of the selected methods, and justify why the methods were selected over others. The proposal should identify the points and tasks in this research project that will require participation by the Commission and ARC staff. Further, the statement should identify specific information needs according to sources, procedures, and individual tasks of the research that may need to be supplied by the Commission. Finally, the proposal should identify any difficulties that may be encountered in this project and propose practical and sound solutions to these problems.
- 3. Project Work Plan and Milestones.** The proposal should describe the phases into which the proposed research can be logically divided and performed together. Flow charts may be included as necessary. A schedule of milestones and deadlines should be specified for the completion of various work elements, including information collection, interviews, surveys, analyses, quarterly progress reports, preliminary drafts for review, and final draft reports.
- 4. Key Personnel.** Personnel performing the research must be described in this section in terms of numbers of people and their professional classification (e.g., project director, economist, analyst, statistician, etc.). Brief resumes of the education and relevant experience of the principal investigator, co-investigator, and other key personnel are required in the core of the proposal (longer resumes can be included in an appendix). The selected contractor will be required to furnish the services of those identified in the proposal as key personnel. Any change in key personnel is subject to approval by ARC.

B. Management Proposal

The resource capability and program management for planning and performing the research will be considered in the proposal selection process.

1. ***Business Management Organization and Personnel.*** Furnish a brief narrative description of the organization, including the division or branch planned to perform the proposed effort, and the authority responsible for controlling these resources and personnel (longer boilerplate materials can be included in appendix).
2. ***Staffing Plan.*** A staffing plan is required that describes the contractor's proposed staff distribution to accomplish this work. The staffing plan should present a chart that partitions the time commitment of each professional staff member to the project's tasks and schedule. In addition, the proposal should include a detailed description of activities for key project-related personnel and anticipated deliverables. Finally, the proposal should identify the relationship of key project personnel to the contracting organization, including consultants and subcontractors.
3. ***Relevant Prior Experience.*** The proposal must briefly describe the qualifications and experience of the organization and the personnel to be assigned to the project. An appendix can include detailed information on direct experience with the specific subject-matter area and organizations, addresses, contact persons, and telephone numbers for such references.
4. ***Contract Agreement Requirements.*** This section of the proposal should contain any special requirements that the contractor wants to have included in the contract.

C. Cost Proposal

Each proposal submitted must contain all cost information. The cost information should include direct labor costs (consistent with the staffing plan), labor overhead costs, transportation (if anticipated), estimated cost of any subcontracts, other direct costs (such as those for data bases and economic models), university overhead, total direct cost and overhead, and total cost and fee or profit.

In addition, ARC may choose to request that the selected contractor formally present and discuss study findings with key Appalachian officials in Washington, D.C. This activity will be over and above routine meetings with ARC staff during the course of the project, and the contractor should price its part in this activity separately, assuming travel to a one-day meeting.

The contract awarded for this research project will be a FIRM FIXED-PRICE CONTRACT, with payments on a quarterly schedule. The contract terms shall remain firm during the project and shall include all charges that may be incurred in fulfilling the terms of the contract.